



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

August 21, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Activity

On August 14, 2012, the Health Connector submitted a Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges, Level 1 grant application to HHS under §1311 of the ACA. The projects proposed in this application will assist the Health Connector in its efforts to successfully transition to an ACA-compliant state-based Exchange while still maintaining a commitment to its existing members served under today's exchange model. Among other things, funding from this grant will support the development of a robust risk-adjustment program that will ensure stability in our merged market. A significant portion of this request will fund a multi-agency project overseen by the Health Connector, the Executive Office of Health and Human Services and the University of Massachusetts Medical School to build a single, integrated "real-time" eligibility system to determine eligibility for state and federally-subsidized health insurance coverage.

The grant abstract can be viewed on our website under the Grants section at: [Mass.Gov](#)

Guidance

8/15/12 CC110 issued sub-regulatory guidance as a bulletin regarding the temporary safe harbor available to certain religious employers under the final rule that requires most health insurance plans to cover preventive services for women

under ACA §2713. The preventive services include recommended contraceptive services without charging a co-pay, co-insurance or a deductible in new private health plans in plan years that start on or after August 1, 2012. The final rule, announced January 10, 2012, exempts organizations that are faith-based and primarily employ those of the same faith (such as churches, synagogues and mosques) from the requirement. In issuing the final rule the Secretary indicated that a one-year transition period or "temporary enforcement safe harbor" would be provided to non-exempted, non-grandfathered group health plans established and maintained by non-profit organizations with religious objections to contraceptive coverage.

The August 15, 2012 bulletin was originally issued on [February 10, 2012](#), to describe the temporary enforcement safe harbor. In reissuing this bulletin, CMS is not changing the February 10 policy; it is only clarifying three points: (1) that the safe harbor is also available to non-profit organizations with religious objections to some but not all contraceptive coverage; (2) that group health plans that took some action to try to exclude or limit contraceptive coverage that was not successful as of February 10, 2012, are not for that reason precluded from eligibility for the safe harbor; and (3) that the safe harbor may be invoked without prejudice by non-profit organizations that are uncertain whether they qualify for the religious employer exemption, as clarified herein. Organizations that have already completed the certification or issued the notice from the February 10, 2012 bulletin are not required by this revised bulletin to recertify or reissue the notice.

Read the August 15, 2012 bulletin at: <http://cciio.cms.gov/resources/files/prev-services-guidance-08152012.pdf>

Read the final rule at: <http://www.gpo.gov/fdsys/pkg/FR-2012-02-15/pdf/2012-3547.pdf>

8/14/12 CCIIO issued the final "Blueprint for Approval of Affordable State-based and State Partnership Insurance Exchanges." The Blueprint lays out how states will demonstrate to HHS how their Affordable Insurance Exchange will operate as authorized under §1311(b) of the ACA to provide individuals and small business employees with access to health insurance coverage beginning January 1, 2014. An Exchange both facilitates the purchase of Qualified Health Plans (QHP) by qualified individuals and provides for the establishment of a Small Business Health Options Program (SHOP). Exchanges will provide competitive marketplaces for individuals and small employers to directly compare options and purchase private health insurance.

In designing and operating Exchanges to most appropriately meet the needs of their citizens and their marketplace, the ACA provides states with flexibility. States can choose to operate as a state-based Exchange or the HHS Secretary will establish and operate a Federally-facilitated Exchange. In a Federally-facilitated Exchange, the state may pursue a State Partnership Exchange, where a state may administer and operate Exchange activities associated with plan management and/or consumer assistance. States may use the Blueprint to demonstrate how their Affordable Insurance Exchanges will work as a **state-based Exchange**. The Blueprint also explains the application process for states seeking to enter into a **Partnership Exchange**.

In addition, ACA §1321(c) directs the Secretary to make a determination regarding whether the state will operate reinsurance and/or risk adjustment programs or will use federal government services for these activities. To receive HHS approval or conditional approval for a state-based Exchange or a State Partnership Exchange, as well as reinsurance and risk adjustment programs, a state must complete and submit an Exchange Blueprint that documents how its Exchange meets or will meet all legal and operational requirements associated with the model it chooses to pursue. According to HHS, as part of its Exchange Blueprint, a state must also demonstrate operational readiness to execute Exchange activities. Regulations implementing

the ACA require HHS to approve or conditionally approve state-based Exchanges no later than January 1, 2013, for operation in 2014. As a result, in the final Blueprint document, CCIIO announces that states should submit their Exchange Blueprints to HHS by November 16, 2012 for their Exchanges to be considered for certification on January 1, 2013.

View the final blueprint at:

<http://cciio.cms.gov/resources/files/hie-blueprint-081312.pdf>

Prior guidance can be viewed at: www.healthcare.gov

News

8/17/12 CMS announced the third round of site selections under the Community-based Care Transition Program (CCTP), §3026 of the ACA, which provides funding from the Innovation Center to demonstrations to community-based organizations partnering with eligible hospitals for care transition services. The 17 sites will join the 30 sites announced in November 2011 and March 2012 working with CMS and local hospitals to provide support for high-risk Medicare patients following a hospital discharge as they move to new settings, including skilled nursing facilities and home. Community organizations help patients stay in contact with their doctors to ensure their questions are answered and they are taking medications they need to help them stay healthy. The third round of program participants will support 200 acute care hospitals partnering with community-based organizations (CBOs) and help 185,800 Medicare beneficiaries in 21 states.

CMS awarded program agreements to recipients that can demonstrate an overall reduction in Medicare expenditures over the program period. CMS did not provide savings estimates from the agreements. CCTP is part of the Partnership for Patients which is charged with reducing hospital-acquired conditions by 40% and hospital readmissions by 20% by 2013. Under the ACA, the CCTP program may spend up to \$500 million over five years and with the second round of site selections, CMS announced that the agency has committed half of the \$500 million allocated to CCTP. As part of their two-year agreement with the CMS Innovation Center, each organization will be paid a flat fee for helping to coordinate patient care after a hospital stay for each Medicare beneficiary who is at high risk for readmission to the hospital.

The third round of site participants are located in California, Connecticut, Florida, Illinois, Massachusetts, Minnesota, New York, North Carolina, Pennsylvania, Texas and Washington. In Massachusetts, Somerville-Cambridge Elder Services, a Massachusetts-designated Aging Services Access Point (ASAP) and an Area Agency on Aging (AAA), will partner with Mystic Valley Elder Services, Cambridge Health Alliance, Hallmark Health System and dozens of community-based health and social service providers to provide care transitions services in Middlesex County.

In March 2012 CMS announced the **second site selections** under this program. This included: 1) Elder Services of Berkshire County, a Massachusetts-designated Aging Services Access Point (ASAP) and federally-designated AAA in rural western Massachusetts, that will partner with Berkshire Medical Center and the Berkshire Visiting Nurse Association to improve care transition services for Medicare beneficiaries; and 2) Elder Services of Worcester, Massachusetts, a Massachusetts-designated ASAP and federally-designated AAA, that will partner with Bay Path Elder Services. They will provide care transitions services in partnership with seven hospitals, including: MetroWest Medical Center; St. Vincent Hospital; UMass Memorial Medical Center; Wing Memorial Hospital; Marlborough Hospital; Clinton Hospital, and HealthAlliance Hospital.

In November 2011 CMS announced the **first site selections** under this program. This included: 1) Elder Services of the Merrimack Valley, Inc., in partnership with Anna Jacques Hospital, Saints Medical Center, Holy Family Hospital, Lawrence General Hospital, and Merrimack Valley Hospital, and serving 23 cities/towns in the Merrimack Valley of Massachusetts and ten bordering cities/towns in southern New Hampshire where patients using these hospitals also reside.

The CMS Innovation Center will continue to accept applications as long as funding is available. For more information on how to apply visit: [CMS.Gov](http://www.cms.gov)

View a list of the third group of CCTP partner organizations announced August 17, 2012 at: [Innovation](http://www.cms.gov/innovationcenter)

For more information about the Community Based Care Transitions Program, including complete lists of all site selections announced, visit: <http://go.cms.gov/caretransitions>

8/16/12 HHS announced partnerships with several pharmacies in order to help Medicare beneficiaries learn about new benefits available to them as a result of the ACA. CVS Caremark, Walgreens, Thrifty White, Walmart and Sam's Club will provide customers with educational materials about the preventive services and prescription drug savings under the ACA.

This year Medicare beneficiaries will receive a 14% discount on generics and a 50% discount on their covered brand name prescription drugs. These discounts will continue to grow over time until the Medicare Part D coverage gap (known as the donut hole) is closed completely in 2020 as required by §1101. In Massachusetts, as of July 31, 2012, 23,650 individuals had received an average discount amount per beneficiary of \$599 on their prescription drugs.

In addition, through §4103 and §4104 of the ACA, people with original Medicare will receive free preventive services, including Annual Wellness Visits. HHS announced that over 18 million people with original Medicare received at least one free preventive service in 2012.

Read the press release at: <http://www.hhs.gov/news/press/2012pres/08/20120815a.html>

Learn more about partnering with CMS to help Medicare beneficiaries maximize their benefits at: <http://www.cms.gov/Outreach-and-Education/Outreach/Current-Partnership-Opportunities/index.html>

For more information on the donut hole coverage, visit: [cms.gov](http://www.cms.gov)

For more information on the free preventive services, visit: <http://www.hhs.gov/news/press/2012pres/08/20120820a.html>

8/15/12 IRS/Treasury published a notice cancelling a public hearing regarding a proposed rule, "Regulations Pertaining to the Disclosure of Return Information to Carry Out Eligibility Requirements for Health Insurance Affordability Programs."

After an individual submits an application to the Exchange or a state agency for financial assistance in obtaining health coverage the ACA allows the IRS to disclose certain pieces of information. States and Exchanges must meet confidentiality requirements with respect to the items of return information they will receive. The Internal Revenue Code permits the disclosure of "return information" to assist Exchanges in performing certain functions set forth in ACA §1311 for which income verification is required (including determinations of eligibility for the insurance affordability programs described in the ACA). The proposed regulations define certain

items of return information under section 6103(l)(21) of the Internal Revenue Code, as enacted by the ACA that might indicate whether an individual is eligible for the premium tax credit or cost-sharing reductions under §1402.

Comments on the proposed regulations and/or request to speak at the public hearing were due July 30, 2012. According to the notice, no one had requested to speak at the hearing as of Thursday, August 9, 2012. **As a result, the agency has cancelled the hearing that was scheduled for August 31, 2012.**

Read the notice at: <http://www.gpo.gov/fdsys/pkg/FR-2012-08-15/pdf/2012-19969.pdf>

Read the proposed rule (which published in the Federal Register on April 30, 2012) at: <http://www.gpo.gov/fdsys/pkg/FR-2012-04-30/pdf/2012-10440.pdf>

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting

August 31, 2012, 10:00 AM - 12:00 PM

1 Ashburton Place, 21st Floor, Conference Rooms 1, 2, & 3,
Boston, MA

The purpose of this meeting will be to give an update on the Demonstration, and to focus on consumer and implementation issues.

Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at Donna.Kymalainen@state.ma.us

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Wednesday, September 19, 2012, 1:00 PM- 2:00 PM

1 Ashburton Place, 21st Floor
Boston, MA

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national_health_reform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.